NEBRASKA DEPARTMENT OF NATURAL RESOURCES

TITLE 262 – REGULATIONS GOVERNING THE ADMINISTRATION OF THE SOIL AND WATER CONSERVATION FUND

NEBRASKA ADMINISTRATIVE CODE NEBRASKA DEPARTMENT OF NATURAL RESOURCES

TITLE 262

RULES AND REGULATIONS GOVERNING THE ADMINISTRATION OF THE SOIL AND WATER CONSERVATION FUND

Adopted 7/19/01

TITLE 262 – NEBRASKA DEPARTMENT OF NATURAL RESOURCES RULES GOVERNING THE ADMINISTRATION OF THE SOIL AND WATER CONSERVATION PROGRAM

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Chapter 1 – GENERAL PROVISIONS

<u>001 Purpose of Rules</u>. These rules and regulations are adopted for the purpose of carrying out the purposes and requirements of the Nebraska Soil and Water Conservation Act.

<u>002</u> General Availability of Funds. Financial assistance from the Nebraska Soil and Water Conservation Fund shall be available only to landowners of land located in natural resources districts which have agreed to assist the Department in the administration of the Fund and have executed a Memorandum of Understanding with the Department setting forth the terms of such assistance.

<u>003 Definitions</u>. As used in these rules and regulations, unless the context otherwise requires:

<u>003.01</u> "Act" shall mean the Nebraska Soil and Water Conservation Act as established and governed by sections 2-1575 to 2-1579 and 2-1583 to 2-1585, R.R.S. 1997, and R.S. Supp., 2000 and any and all amendments, additions, or deletions which have been or may be made thereto;

<u>003.02</u> "Apportion" shall mean to set aside funds for use in accordance with the act and these rules and regulations, but shall not mean any physical distribution or other transfer of such funds;

<u>003.03</u> "Average unit cost" shall mean the unit of measure cost determined to be the average cost charged in that county for the work performed and materials required in installing such unit;

- <u>003.04</u> "Board" or "Board of Directors" shall mean the board of directors of the district in which is located the land upon which the projects or practices are proposed or installed:
- <u>003.05</u> "Commission" shall mean the Nebraska Natural Resources Commission created pursuant to Section 2-1504, .R.S. Supp., 2000, and amendments thereto;
- <u>003.06</u> "Department" shall mean the Department of Natural Resources created pursuant to Section 81-101, R.S. Supp., 2000;
- <u>003.07</u> "District" shall mean a natural resources district created and governed by sections 2-3201 to 2-32,101, R.R.S., 1997, and amendments and additions thereto;
- <u>003.08</u> "Eligible project or practice" shall mean a project or practice designated as eligible for state cost-share funds by the Commission in accordance with Section 3-001;
- <u>003.09</u> "Fiscal year" shall mean July 1 of any calendar year through June 30 of the next calendar year;
- <u>003.10</u> "Fund" shall mean the Nebraska Soil and Water Conservation Fund created by Section 2-1577, R.R.S., 1997 and R.S. Supp., 2000 and amendments thereto;
- <u>003.11</u> "Landowner" or "owner" shall mean the record owner or owners of real property or upon adequate documentation of the sale of real property by land contract, the purchaser or purchasers of said real property;
- <u>003.12</u> "NRCS" shall mean the United States Department of Agriculture, Natural Resources Conservation Service;
- <u>003.13</u> "Participating district" shall mean a natural resources district which is a party to a then current agreement entered into in accordance with Section 1-002;

<u>003.14</u> "Project or Practice" shall mean the soil or water conservation or water quality protection work of improvement or activity for which cost-sharing assistance is requested or approved;

<u>003.15</u> "State cost-share funds" shall mean funds available from the Nebraska Soil and Water Conservation Fund.

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Chapter 2 – APPORTIONMENT OF FUNDS

001 Apportionment of Funds.

<u>001.01</u> Each fiscal year each participating district shall receive a new apportionment of funds for each of the following time periods:

<u>001.01A</u> July 1 to February 28; and

<u>001.01B</u> March 1 to June 30.

 $\underline{001.02}$ The amount which shall be apportioned to each participating district for each such period shall be the combined total of:

<u>001.02A</u> A portion of the funds obligated but unexpended in such district as of the last day of the preceding apportionment period, such portion to be determined as follows:

<u>001.02A1</u> For each apportionment period beginning on March 1, each district shall be apportioned the full amount of funds obligated but unexpended in such district as of the last day of the preceding apportionment period;

<u>001.02A2</u> For each apportionment period beginning on July 1, each district shall be apportioned the full amount of funds obligated but unexpended by such district as of the last day of the preceding apportionment period if the total amount of all funds obligated but unexpended by all participating districts for that preceding apportionment

period is \$1,000,000 or less. If such total is more than \$1,000,000, the amount to be apportioned to all districts shall be reduced to \$1,000,000 and each district shall be apportioned a percentage of its obligated but unexpended funds, such percentage to be determined by dividing \$1,000,000 by such total;

and

<u>001.02B</u> A portion of the sum of all unobligated funds as of the last day of the preceding apportionment period, any previously obligated but unexpended funds made available as a result of the reduction pursuant to Rule 001.02A2, and any funds newly appropriated to the Soil and Water Conservation Fund. In determining the amount of this part of each district's apportionment, the Commission may divide no more than one million four hundred thousand dollars equally among all participating districts and shall, subject to Subsections 001.03 or 001.04, distribute the remainder, if any, among participating districts on the basis of one or more of the following criteria:

<u>001.02B1</u> The conservation or water quality protection needs in that district as expressed in monetary terms;

001.02B2 The extent of the district's previous use of the Fund; and

<u>001.02B3</u> The district's own commitment to conservation or water quality protection as expressed by the expenditure of its general revenues for basic soil and water conservation or water quality protection practices in the preceding fiscal year.

<u>001.02B4</u> The need, as determined by the Commission, to provide assistance for one or more specific projects or practices or for one or more specific geographic areas.

The Commission may also in any apportionment period establish a minimum or maximum amount to be apportioned to any one district if it determines that such a

minimum or maximum is necessary to maintain the viability of the Soil and Water Conservation Fund program in all participating districts.

001.03 The Department shall reserve at least two per cent of the funds credited to the Fund for grants to landowners ordered by a natural resources district pursuant to the Erosion and Sediment Control Act to install permanent soil and water conservation practices. Such funds shall be made available at a rate sufficient to provide the landowner with total cost-sharing assistance of at least ninety percent of the actual cost of the required permanent practices and shall be granted on a first-come, first-served basis until exhausted. Such funds shall not be obligated by the district, but shall be obligated, if available, by the Director of Natural Resources to a landowner when a copy of the district's administrative order and a copy of an application for cost-share assistance are received by the Director. The application for cost-share assistance must be approved by the district before submission to the Director. Such funds shall remain obligated until used or until the district advises the Director of Natural Resources that all or part of the funds are no longer needed. If more than two per cent of the funds credited to the Fund are at any time reserved by the for such purposes, the may at any later time release all or part of such excess for inclusion in any future apportionment to the districts if it concludes that such funds are no longer needed for the purposes of this subsection.

<u>001.04</u> The Commission may withhold from any apportionment pursuant to Rule 001.02B not more than 20% of the total unobligated funds available. Such funds may be later apportioned to districts which have obligated all previously apportioned funds and can demonstrate a need for additional funds or may be apportioned to districts for use in critical erosion or water quality areas. No one district shall receive more than 15% of any such withheld funds unless there are adequate funds available for all districts requesting and demonstrating a need for such additional funds on or before May 1.

<u>001.05</u> No district shall obligate any funds after the last day of any appointment period until notified by the Department of a new apportionment. The report submitted pursuant to Section 6-008 shall be the basis for determining the amount of funds obligated and unobligated by each participating district as of February 28 and June 30 of each fiscal year. Any district failing to submit a report due on or before the fifth working day of any

July or March may be denied any apportionment of funds for the next apportionment period.

<u>002 Supplemental Apportionments</u>. The Commission may, by utilizing funds repaid to the Fund or otherwise made available for expenditure pursuant to the Act, establish supplemental apportionments of funds to participating districts. To the extent consistent with legislative direction, any such supplemental apportionment may be combined with any apportionment made pursuant to Section 2-001, Subsection 001.02 or 001.04.

003 Termination of the Memorandum of Understanding. In the event that the Memorandum of Understanding required by Section 1-002 is terminated by a district or by the Department, the district shall release all funds unobligated as of the effective date of such termination and shall further release as they become available obligated funds for which no claim for payment is made in a timely manner. Any funds so released shall be used by the Commission to supplement in accordance with Section 2-002 the funds apportioned to participating districts.

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Chapter 3 – APPLICATION AND ELIGIBILITY FOR FUNDS

<u>001</u> Establishing Project Eligibility. Landowners shall be eligible for cost-share funds only for the types of projects and practices designated as eligible for such purposes by the Commission. The Commission shall at least annually review the list of projects and practices for which such funds should be utilized and shall affirm or modify such list as it deems appropriate. Funds apportioned to districts for that fiscal year may be obligated only for projects and practices thus designated. Each participating district may further limit the types of projects and practices eligible for funding assistance in that district; the Department shall be promptly notified of any such action.

<u>002</u> Application for Assistance. To be eligible for cost-share assistance from the fund, a landowner must make application therefor on forms provided by the Department. Copies of such forms shall be available at such locations as the district shall specify.

<u>003 Certification of Practices</u>. Before the district board of directors approves the application for assistance, a technician qualified to assess the practicability and need for the projects or practices for which assistance is requested shall certify that such projects or practices are feasible and that the estimated quantities are practical and reasonable. If such technician is other than an individual employed for such purposes by the district or by the NRCS, the qualifications of such technician shall be established to the satisfaction of the board prior to approval of the application.

<u>004</u> Availability of Federal Funds. Except for funds to be obligated by the Commission in accordance with Section 2-001, Subsection 001.03, applications for cost-sharing assistance from the Fund cannot be approved by the district board of directors unless it determines that federal funds were not available for the proposed project or practice at the time the application was submitted by the landowner. Federal funds shall be deemed to be unavailable in the county where the land is located if all such funds then available for obligation in such county through

federal cost-sharing programs have been obligated or if the particular project or practice proposed is not eligible for federal cost-sharing funds in that county but is eligible for state cost-sharing assistance. Federal cost-sharing funds shall also be deemed to be unavailable to the extent that the maximum allowable dollar amount available from a federal cost-sharing program to individual landowners in a given year has limited or will limit the landowner's federal cost-share payment to an amount less than that to which such landowner would have been entitled in the absence of such a dollar limitation. In the event of the utilization of both state and federal cost-share funds on the same project or practice, the state cost-share funds provided to the landowner shall not exceed the amount which ineligible contributors are authorized to provide by federal regulations and operating procedures.

<u>005</u> Federal Multi-year Agreements. Notwithstanding any provision of Section 3-004, federal cost-sharing funds shall be deemed to be unavailable for a project or practice which is included in a federal multi-year cost-sharing agreement or contract when and only when federal maximum dollar amounts for that type of project or practice or that contract have been or are to be paid from federal cost-sharing funds.

<u>006</u> Compliance with Applicable Laws. In the installation or application of any eligible project or practice the landowner shall be solely responsible for assuring compliance with any applicable federal, state, or local laws, ordinances, and rules and regulations. The landowner is also solely responsible for obtaining all permits, licenses, or other instruments of permission required prior to the installation of the proposed project or practice.

<u>007 Group Project or Practices</u>. In the event that the most appropriate solution to the needs addressed by the act requires the eligible projects or practices to be located on or across the property lines of different landowners, and when such landowners desire to jointly install, operate, and maintain such needed projects or practices, state cost-share funds may be used to share the cost when the following additional provisions have been satisfied.

<u>007.01</u> A group planning agreement prepared by or on behalf of landowners must be signed and submitted by the landowners involved and approved by the board;

<u>007.02</u> If the proposed projects or practices are approved by the board, the landowners shall arrange for carrying out the projects or practices by securing and recording any easements which are necessary and by agreeing to a division of the costs and cost-share payments;

<u>007.03</u> One member of the group shall be designated as the group representative to file the application for cost-share assistance, such application to be accompanied by a written statement describing the arrangements agreed to under subsection 007.02 above;

<u>007.04</u> The group representative shall make arrangements to have the project or practice installed, make payments and obtain receipts from vendors;

<u>007.05</u> The group representative shall submit the claim for payment, supported as otherwise required by these rules and regulations;

<u>007.06</u> Payment will be made to the group representative;

<u>007.07</u> The division of cost-share assistance provided will be made by the group representative in the manner indicated in the agreement previously reached among the members of the group;

<u>007.08</u> A cost-share assistance agreement must be signed by each member of the group on whose land a portion of the project or practice has been installed;

<u>007.09</u> When two or more landowners intend to participate financially in the installation of a project or practice located wholly on the property of one landowner, the procedures outlined in this section may be used but are not required.

<u>008 Termination Date</u>. All applications shall specify a termination date which shall be no more than nine months from the date the landowner's application is approved by the board. Claims for payment received after such termination date shall not be honored unless an extension of not to exceed an additional three months time period is approved by the board by amendment to the original application.

009 Application Amendments.

<u>009.01</u> An amendment to an application for cost-sharing assistance shall be appropriate for any of the following reasons:

<u>009.01A</u> To increase or decrease consistent with the responsible technician's certification pursuant to Section 3-003 the quantities of eligible projects or practices needed and/or the amount of cost-share funds estimated on the original application.

<u>009.01B</u> To extend the termination date indicated on the original application consistent with Section 3-008;

<u>009.01C</u> To cancel the agreement by mutual consent.

<u>009.02</u> A copy of any amendment will be furnished to each party receiving a copy of the original agreement and the board shall approve each such amendment before it shall become effective.

<u>010 Need for Additional Reviews</u> The Commission may identify projects or practices for which reviews by an entity in addition to the district are required before the board of directors may approve applications for cost-share assistance, or any amendments thereto, pursuant to Section 6-002 or may approve claims for payment pursuant to Section 6-005. In the event the Commission takes such action, the Department, within five working days thereafter, shall notify the affected districts and as soon thereafter as possible, shall direct the affected districts concerning the process for future acceptance and approval of applications, amendments, and claims for payment which include such projects or practices.

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Chapter 4 – DESIGN, LAYOUT, AND CONSTRUCTION OF PROPOSED PROJECTS AND PRACTICES AND OPERATION AND MAINTENANCE

001 Technical Specifications. Unless the Commission provides otherwise for specific projects and practices, specifications for projects and practices set forth in the NRCS Field Office Technical Guide are to be used as the basis for determining need and practicability of the proposed project or practice, for preparing plans and specifications, for designing and laying out such projects and practices, and for certifying the proper installation or application of such projects and practices. Specifications for additional projects and practices not set forth in the NRCS Field Office Technical Guide and modifications to those included in such Technical Guide may be considered and authorized by the Commission at the request of the District. Project and practice description and specification information will be on file in the district office and at all such places as application forms are made available.

<u>002 Inspections and Certifications.</u> A responsible technician shall prior to installation or application of the proposed project or practice determine that the plans therefore are adequate and shall inspect any construction work in progress to determine that specifications are met. Following such installation or application, it will be the responsibility of such technician to certify to the district that the project or practice was or was not properly installed or applied. If the district does not receive a technician's certification that the project or practice was properly installed or applied, it shall not approve any claim to the Department for payment regarding such project or practice. In the event that any technician responsible for complying with any portion of this section is different from the technician who originally certified the feasibility of the project or practice in accordance with Section 3-003, and if such technician is other than an individual employed for such purposes by the District or by NRCS, the qualifications of such technician shall be established to the satisfaction of the board prior to proceeding any further with processing of any claim for payment.

<u>003</u> Operation and Maintenance by Landowner. Except as provided in Section 3-004, the landowner shall be responsible for the operation and maintenance of all projects and practices constructed with assistance from the Fund and the landowner will be expected to maintain the same in good operating condition to assure their continued effectiveness for the purpose or purposes for which they were installed.

<u>004 Operation and Maintenance by District</u>. If on any particular proposed project or practice, the district determines that landowner assumption of all operation and maintenance responsibilities would constitute an undue burden upon such landowner or would not assure operation or maintenance adequate to protect such project or practice from failure, the district may agree to be or require that it be responsible for all or a part of such operation and maintenance and may prior to and as a condition for approval of an application for cost-share funds, require the landowner to provide the district with the right of access necessary to perform such operation or maintenance.

<u>005 Cost-Share Assistance Agreement</u>. As a condition for receiving any cost-share funds for eligible projects or practices, the landowner shall, prior to submission of a claim for reimbursement, enter into an agreement on forms supplied by the Department providing that if a conservation practice is terminated or a project or practice is removed, altered, or modified so as to lessen its effectiveness, without prior approval of the district, for a period of ten years after the date of receiving payment, the landowner shall refund to the Fund the full amount of the state cost-share payment previously received for the project or practices or portion thereof which has been thus terminated, removed, altered or modified.

<u>006</u> Requests for Termination, Removal, Alterations, Modifications. A landowner may request the district's approval of the termination, removal, alteration, or modification of the project or practice at any time during the 10-year period following receipt of payment. In determining whether to approve or disapprove such action, the district shall consider:

<u>006.01</u> The value of the project or practice in conserving soil and water resources or protecting water quality;

<u>006.02</u> The extent to which such project or practice hinders the highest and best use of the land upon which such project or practice is located;

 $\underline{006.03}$ Whether alternative forms of soil and water conservation or water quality protection measures have been or are to be constructed or implemented; and

<u>006.04</u> The time remaining in the designed life of the project or practice.

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Chapter 5 – COST-SHARE RATES AND REIMBURSEMENT PROCEDURES

<u>001 Cost-Share Rates</u>. The district may establish any cost-share rates for eligible projects and practices up to 75% of average unit cost. However, except as provided in Section 2-001, Subsection 001.03, no payment shall exceed 75% of the actual cost of the project or practice installed or applied. Participating districts shall notify the Department by February 1 of each year of the cost-share rates to be utilized for reimbursement purposes during the next ensuing year. In the event that average unit costs are not established in accordance with Section 5-002, or that average unit costs which are available are determined by the Commission to be unreliable because of the site-specific nature of the costs of a certain type of project or practice, the cost-share rate in effect will be applied to actual cost and average cost will not be utilized and need not be calculated on individual applications.

<u>002</u> Average Costs. Unless a district establishes and informs the Department of lower average unit costs, the average unit costs for a county shall be identical to any established and utilized by NRCS for the same type of projects and practices in that county. If average unit costs are not established by NRCS for an eligible practice in a county, the Commission itself may establish average unit costs for such project or practice in such county. Except for applications filed with the Commission in accordance with Section 2-001, Subsection 001.03, all applications for cost-sharing assistance shall be based upon the then current average unit costs. Once an application has been completed by a landowner, the same average unit costs in effect at the time the application was completed shall be utilized for determining the cost-share payment to which each landowner is entitled unless the district and the landowner agree to use updated average unit costs.

<u>003 Eligible Costs</u>. Except for costs incurred in employing the services of a technician as required by these rules and regulations or as otherwise may be limited by the Department, all necessary costs incurred by the landowner in installing or applying an approved project or

practice shall be eligible for cost-sharing. Such costs include machine hire or the costs of the use of his own equipment, needed materials delivered to an used at the site, and labor required to construct the project.

<u>004 Documenting Costs</u>. All authorized items of costs for which the landowner desires costsharing assistance shall be itemized on a statement submitted to the district by the landowner in such form as is required by the Department. Costs incurred by the landowner in furnishing his own labor, material, or equipment for use on a project or practice should be listed in a certified statement itemizing such items and showing unit cost for each item and the total amount for which payment is claimed.

<u>005</u> Claim for Payment. The landowner shall after the project or practice has been completed and certified by the responsible technician complete a claim for payment on forms provided by the Department and available at the location where the application form was obtained. A copy of the document(s) required by Section 5-004, shall be attached to such claim for payment prior to submission to the district. A claim for payment will not be accepted unless the landowner has signed the portion of the claim form required by Section 4-005.

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Chapter 6 – DISTRICT ADMINISTRATION OF THE FUND

<u>001 Application</u>. Sections 6-001 through 6-009 shall apply only to districts which have entered into a Memorandum of Understanding with the Department agreeing to assist the Department in the Administration of the Fund.

<u>002</u> Board Action on Application. The board of directors shall review each cost-share assistance application and any and all amendments thereto and shall approve or disapprove each such application or amendment. Such action shall be recorded in the official minutes of the meeting and the landowners shall be notified of such action within ten days thereafter. For any project or practice subject to additional review in accordance with Section 3-010, the board shall not approve an application for cost-share assistance or an amendment thereto except in compliance with direction given by the Department.

003 Approving Applications. Except for applications pursuant to Section 2-001, Subsection 001.03, applications for cost-share assistance may be approved by the board only when there is a sufficient unobligated fund balance to provide the estimated cost-share amount based upon the average cost information indicated on the application. The board may if it desires give preference to the construction of projects or practices which will in its judgment provide the greatest public benefit in that district. Examples of projects and practices which would provide the most public benefit include those which would reduce runoff and sediment damage to lakes, streams, reservoirs, roads, highways, or other public improvements and those which would reduce demands on or contamination of the groundwater reservoir and/or provide enhanced recharge to an aquifer with a declining water table.

<u>004 Record Keeping</u>. The district shall maintain a record of funds obligated as applications for cost-share assistance are approved based upon estimated costs. A cost-share ledger will be kept

current showing the balance of unobligated funds and such other information as the Department determines is necessary to provide for proper documentation of all expenditures from the Fund.

<u>005</u> District Review of Claim for Payment. Upon completion of an approved project or practice, the district shall review the claim for payment prepared by the landowner in accordance with Section 5-005, and shall if it finds that the project or practice was properly installed, that all other conditions have been satisfied, and that the claim has been properly completed and is accompanied by all required supporting documentation, approve the claim and certify the same to the Department with all supporting documentation attached. For any project or practice subject to additional review in accordance with Section 3-010, the board shall not approve a claim for payment except in compliance with direction given by the Department. If the district determines that the claim is improperly prepared or that other deficiencies exist, it shall so notify the landowner and shall provide the landowner with a reasonable opportunity to correct such deficiencies and to resubmit the claim for payment.

<u>006</u> District Assistance to Landowner. The district shall provide such assistance as it deems appropriate to the landowner in the completion of necessary forms and in all matters relating to completion of eligible projects and practices.

<u>007 Filing System</u>. To provide for efficient processing of requests for cost-sharing assistance and for maintenance of necessary documentation of matters relating to the administration of the Fund, the district shall develop and maintain with the assistance of the Department a filing system which includes copies of all forms completed by the landowner and all other information deemed relevant to the installation and application of the eligible projects and practices and to the cost-sharing assistance provided. Such files shall be available for inspection by personnel of the Department and by representatives of the State Auditor's Office during normal business hours of the district.

<u>008 Reports</u>. The district shall no later than the 5th working day of March, July and November of each year submit a report to the Department indicating the status of cost-share funds as shown on each cost-share ledger required by Section 6-004 at the close of the last day of the preceding month.

<u>009 Delegation of Responsibilities by Board</u>. The board of directors may delegate to the district manager or to a member or sub-committee of the board all or any of the authorities and responsibilities assigned to it by these rules and regulations except the establishment of preferred projects and practices in accordance with Section 6-003 and the limitation of the types of projects and practices eligible for assistance in accordance with Section 3-001. The Department shall be notified in writing of any such delegation.

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Chapter 7 – DEPARTMENT ADMINISTRATION OF THE FUND

<u>001</u> Forms. The Department shall prepare and make available to participating districts sufficient copies of all forms necessary for district administration and shall further prepare and keep updated a handbook for use by districts in assisting in the administration of the fund.

<u>002</u> <u>Department Review of Claims for Payment</u>. Upon receipt from a district of a district approved claim for payment, a Department representative shall review the claim and the supporting documentation which is attached. If the claim is determined to be complete and properly documented, the Department shall prepare a voucher for transmittal to the Department of Administrative Services for preparation of a warrant payable to the landowner or to a group representative designated in accordance with Section 3-007.

<u>003 Payment to Landowner</u>. Upon receipt of the warrant from the Department of Administrative Services, the Department shall transmit it by mail to the landowner or group representative.

<u>004 Incomplete or Inaccurate Claims for Payment</u>. If in reviewing the claim for payment, the Department determines that the information contained thereon is incomplete or inaccurate, that an error exists in the final computation or that proper documentation has not been supplied, it shall so notify the district of such deficiency. The district shall then request the landowner to complete a new claim for payment. No payment will be authorized until the Department has determined that the claim for payment and the necessary supporting documentation are complete and accurate in all respects.

<u>005 Violations of Cost-Sharing Assistance Agreement</u>. In the event that the Department is notified of an alleged violation of the cost-sharing assistance agreement, a representative of the Department and/or a representative of the district shall investigate the alleged violation and shall

report the results of such investigation to the Department. If following the investigation it appears as though a violation has in fact occurred, the Department shall so notify the landowner and shall make demand for repayment of the appropriate amount to the Fund within 30 days thereafter. The landowner may within the time specified for such repayment contest the occurrence of a violation and may request that the Department conduct a formal hearing to reconsider such demand for payment. Such hearing shall be conducted in accordance with Title 261 of the Department Rules and Regulations. If following the hearing, the Department determines that the violation did in fact occur, it shall so notify the landowner in accordance with the provisions of Title 261 and shall renew the demand for repayment. If repayment is not provided or all deficiencies corrected at the owner's expense within the time specified, appropriate legal action shall be taken by the Department to recover such amount.

<u>006 Report to Districts</u>. The Department shall prepare on a quarterly basis a report to each participating district indicating the payments which have been made from the fund during the preceding quarter and any other information determined by the Department to be of value to the districts regarding the administration of the fund.

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